

**MINUTES OF MEETING OF
THE BOARD OF DIRECTORS OF
LOUISIANA CORRECTIONAL FACILITIES CORPORATION
TUESDAY, OCTOBER 14, 2014**

A meeting of the Board of the Louisiana Correctional Facilities Corporation ("LCFC") was duly called and held on Tuesday, October 14, 2014 in the Fifth Floor Main Conference Room of Jones Walker LLP, Four United Plaza, 8555 United Plaza Boulevard, Baton Rouge, Louisiana 70809-7000, pursuant to due notice having been given according to Louisiana Public Meetings Law.

The following members were present:

Mr. Ted Riser
Mr. Charles McDonald
Mr. Whalen Gibbs, Jr.

The following members were absent:

Secretary James LeBlanc
Mr. Richard Crain

Also present:

Mr. Tom C. Bickham, III – Undersecretary, Department of Public Safety & Corrections
Mr. Billy Breland, Maintenance and Corrections Director – Department of Public Safety & Corrections
Mr. Matt Kern, Esq. – Jones Walker LLP
Ms. Lauren Ellis, Esq – Jones Walker LLP
Mr. Michael Moore - Prison Enterprises
Mr. Joe Buttross - Prison Enterprises
Mr. Ric Bajon – Ric Bajon & Associates
Mr. John Mayeaux – Sisung Securities
Ms. Patti Dunbar – Jones Walker LLP
Ms. Nikki Landry – Jones Walker LLP

Item 1 – Call to Order

The meeting was called to order by Mr. Riser. Mr. Riser called roll and noted that a quorum was present and that the Board could conduct its business.

Item 2 - Approval of Minutes of the Board Meeting from July 31, 2014

Motion was made for the approval of minutes from the Board meeting of July 31, 2014 by Mr. Gibbs. The Motion was seconded by Mr. McDonald and the Motion passed by unanimous vote.

Item 3 - Update on LCFC Finances (review of bank statements)

No one from the Bank of New York Mellon Trust Company was in attendance to discuss the statements.

Item 4 - Update on projects for Department of Public Safety and Corrections

Among other matters, Mr. Breland discussed matters related to capital outlay to be submitted by November 1st and that they are looking at which projects to submit.

Mr. Bickham brought up re-entry projects and that 8 more re-entry facility projects are about to start. Three will start this year and five will start next year. He stated that he thought that three new re-entry centers would need to be constructed out of the five re-entry programs that are starting next year. The state has budgeted \$3 million for the construction of these centers. The last time one of these centers was built, the financing for it came through LCFC and the process went really well. They are researching whether those budgeted funds can be transferred through an IAT agreement by the Department of Public Safety to LCFC. This would likely happen around this time next year, if possible.

Item 5 - Approval of reimbursement of expenses incurred by Board members for travel expenses

Motion was made by Mr. Gibbs for the approval of reimbursement of expenses incurred by Board Members, Mr. Riser and Mr. McDonald. The Motion was seconded by Mr. McDonald and the Motion passed by unanimous vote.

Item 6 - Approval of legal fees submitted by Jones Walker LLP (JW Invoice Nos. 726943 dated August 22, 2014 and 732421 dated September 22, 2014)

Motion was made for the approval of legal fees submitted by Jones Walker LLP by Mr. McDonald. The motion was seconded by Mr. Gibbs and the Motion passed by unanimous vote.

Item 7 - Consideration of the following resolution:

A RESOLUTION AUTHORIZING THE LOUISIANA CORRECTIONAL FACILITIES CORPORATION TO PROCEED WITH THE ISSUANCE OF NOT TO EXCEED \$3,800,000 LOUISIANA CORRECTIONAL FACILITIES CORPORATION LEASE REVENUE BONDS, IN ONE OR MORE SERIES; MAKING APPLICATION TO THE STATE BOND COMMISSION FOR APPROVAL OF SUCH BOND ISSUANCE; EMPLOYING BOND COUNSEL, A FINANCIAL ADVISOR, AND A TRUSTEE IN CONNECTION THEREWITH; AND PROVIDING FOR OTHER MATTERS WITH RESPECT THERETO

Matt Kern discussed the resolution and stated that the State Bond Commission deadline for submission to be on the November 20th meeting is this Monday, October 20th.

Mr. Bickham had a few questions/clarifications with respect to the sub-lease, whether or not the issue is typical (yes) and whether the item is Net State Tax Supported Debt. Matt Kern addressed the questions.

Mr. Mayeaux discussed the need to obtain history of the self-generated revenue and the sources of revenue.

Mr. Buttress said they have a ten year history in a one page summary and that he will send a copy of that to all parties.

Following discussion and upon the motion of Mr. McDonald, seconded by Mr. Gibbs, the resolution was adopted by unanimous vote.

Item 8 - Report by Matt Kern on whether LCFC is considered the same as the State of Louisiana for mineral rights prescription purposes

Matt Kern discussed that there are arguments each way. If we are State we have ownership (that's what we would want to argue if pursuing in East Carroll Parish or Winn Parish) and if we are not we have prescribed (and we'd need to argue we are not state if in Allen Parish). A determination needs to be made as to whether either avenue is worth the expense of pursuing.

Item 9: Discussion of attached proposal from Ric Bajon regarding mineral rights and take appropriate action

Mr. Bajon passed out and discussed handouts (2 maps) regarding Allen Parish. His information to date involves no courthouse research; however he has information that about 900 leases have been recorded. It appears only one is in our township and range. He will be curious to see if they have leased a portion of the Correctional Facility.

Mr. Bajon orally revised his quote previously stated as \$3,900 to \$5,500 to \$2,000 to \$4,000 with respect to Allen Parish research.

Following discussion, a Motion was made by Mr. Gibbs, seconded by Mr. McDonald, to allow Mr. Bajon to do the work in Allen Parish as proposed (at reduced oral quote of \$2,000 - \$4,000 that Mr. Bajon proposed at meeting) and to do the preliminary work required in Winn Parish and East Carroll Parish in order to submit proposals to do appropriate research with respect to those Parishes. The action also authorizes the Chairman to receive the report of Mr. Bajon and granted the Chairman the authority to accept a proposal with respect to those parishes. The motion passed by unanimous vote.

Item 10: Discussion regarding proposed terms for consulting contract with Tommy Head and take appropriate action

This Item was deferred upon motion of Mr. McDonald and seconded by Mr. Gibbs. The Motion passed by unanimous vote.

Item 11: Transaction of such other business as may properly come before the Board

There was no other business to transact. Motion was made to adjourn by Mr. Gibbs. The Motion was seconded by Mr. McDonald and the Motion passed by unanimous vote.